

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2006-234-C - ORDER NO. 2007-162
MARCH 9, 2007

IN RE: Joint Application of Acceris Management and Acquisition, LLC and First Communications, LLC for (i) Approval of the Transfer of Assets, Including Customers, of Acceris Management and Acquisition, LLC to First Communications, LLC and (ii) the Voluntary Surrender of the Authorizations of Acceris Management and Acquisition, LLC)	ORDER APPROVING ASSET TRANSFER AND VOLUNTARY SURRENDER OF AUTHORIZATIONS OF AC CERIS MANAGEMENT AND ACQUISTION, LLC
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This matter comes before the Public Service Commission of South Carolina (“Commission”) by way of the Joint Application of Acceris Management and Acquisition, LLC (“Acceris”) and First Communications, LLC (“First” or “First Communications”) (together “the Applicants”) requesting approval of an asset transfer, including customers, from Acceris to First and for approval of the voluntary surrender of the authorizations of Acceris. The Company’s Application was filed pursuant to S.C. Code Ann. §58-9-280 (Supp. 2006) and the rules and regulations of the Commission.

The Commission’s Docketing Department instructed the Applicants to publish, one time, a Notice of Filing in newspapers of general circulation in the areas of the State affected by the Application. The purpose of the Notice of Filing was to inform interested parties of the Application of Acceris and First and of the manner and time in which to file the appropriate pleadings for participation in the proceeding. The Applicants complied

with this instruction and provided the Commission with proof of publication of the Notice of Filing. No Protests or Petitions to Intervene were filed.

Subsequently, the Applicants requested expedited review of the matter and filed the verified testimony of Mary Cegelski. No opposition to this procedure was received. Accordingly, we grant expedited review and will proceed to consider the matter based on the verified testimony.

Mary Cegelski, the Manager of Regulatory Affairs: Carrier Relations for First Communications, testified in writing in support of the Joint Application. The record reveals that Acceris is a limited liability company under the laws of the State of Minnesota, and First Communications is a limited liability company under the laws of the State of Ohio. Both have qualified as foreign limited liability companies with the South Carolina Secretary of State under the laws of the State of South Carolina. According to Ms. Cegelski, First received its Certificate of Public Convenience and Necessity to operate as a telecommunications carrier in South Carolina pursuant to Order No. 2006-696, issued on December 5, 2006, and First has the requisite managerial, technical, and financial abilities to provide service to the Acceris customers that it will acquire, should the Application for the transfer of assets be approved. Certain customers of Acceris were also transferred to First as the result of Order No. 2006-696.

Ms. Cegelski testified that the Applicants have reached an agreement providing for the acquisition by First of certain of the remaining assets of Acceris (except for certain cash equivalent assets retained by Acceris), including the remaining long distance resale customers and any remaining personal property, all local and long distance

customers and personal property such as equipment, switches, and a portion of working capital, but not including any federal or state telecommunications authorizations. In South Carolina, the customers being acquired are long distance resale customers only. After consummation of the transactions, Acceris will surrender its telecommunication authorization in South Carolina, and First will provide telecommunications services to the Acceris customers directly pursuant to its own telecommunications authorization.

Ms. Cegelski states a belief that the proposed transfer of customers to First will have no adverse impact on customers. The existing customers will continue to receive their services at the same rates, terms, and conditions that they have prior to the transfer, and any future changes in the rates, terms, and conditions of service will be made consistent with Commission requirements. First will provide advance written notice to the affected customers at least thirty (30) days prior to the transfer. Ms. Cegelski states that the transfer of assets is in the public interest, since it strengthens the competitive position of First without negative impact to Acceris customers or competition in the markets in which Acceris operates.

After consideration of the applicable law, the Company's Application, and the evidence presented at the hearing, the Commission hereby issues its findings of fact and conclusions of law:

FINDINGS OF FACT

1. Acceris is a limited liability company organized under the laws of the State of Minnesota. First Communications is a limited liability company organized under the laws of the State of Ohio. Both have qualified as foreign limited liability companies

with the South Carolina Secretary of State under the laws of the State of South Carolina.

2. Acceris desires to transfer certain assets to First Communications, and Acceris desires to voluntarily surrender its Certificate after completion of the transaction.

3. We find that the asset transfer from Acceris to First should be approved and that Acceris should be allowed to surrender its Certificate after completion of the transaction.

CONCLUSIONS OF LAW

1. The Commission concludes that the asset transfer from Acceris to First Communications is reasonable and should be approved and that First Communications possesses the managerial, technical, and financial resources to provide the telecommunications services to the additional customers as described in its Application.

2. The Commission concludes that approval of the asset transfer from Acceris to First will serve the public interest by enhancing competition in the State of South Carolina by providing for efficient use of existing telecommunications resources.

3. The Commission concludes that the approval of the asset transfer as requested by First and as set forth in the Application and Ms. Cegelski's testimony is in the interests of the citizens of the State of South Carolina.

4. The Commission concludes that voluntary surrender of Acceris' Certificate of Public Convenience and Necessity after consummation of the sale of assets from Acceris to First is in the public interest.

5. The Office of Regulatory Staff (ORS) does not oppose the transaction.

IT IS THEREFORE ORDERED, ADJUDGED, AND DECREED THAT:

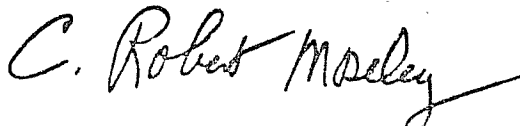
1. The transfer of assets from Acceris to First as described is hereby approved.
2. Acceris may surrender its Certificate after completion of the transaction described.
3. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:



G. O'Neal Hamilton, Chairman

ATTEST:



C. Robert Moseley, Vice Chairman

(SEAL)